

---

**From:** Christina Salem  
**Sent:** Wednesday, October 16, 2019 9:04 PM  
**To:** 'Philip Nettl'  
**Cc:** Michael J. Tricarico  
**Subject:** RE: Arzadi update

Phil,

Thank you for the update on settlement discussions. Arzadi's multiple acts of non-cooperation and refusal to comply with Evanston's defense offering means Evanston is not in a position to make any assessment as to the settlements and thus takes no position on those developments.

Evanston is reiterating its request to conduct Mr. Arzadi's EUO. As Evanston's prior communications make clear, Mr. Arzadi's past refusals to submit to the EUO renders him in clear breach and violation of the policy's cooperation provision. The same holds true for any present refusal to do so. Evanston continues to reserve its rights accordingly, including the right to disclaim coverage for the Allstate suit for any insured's failure to assist and cooperate with Evanston under the policy terms.

Evanston also reiterates that the plaintiffs in our Coverage DJ barred Evanston's ability to fulfill its defense obligation. After the Court's duty to defend ruling, Evanston, in multiple correspondences, sought to assume the plaintiffs' defense in the Allstate suit. Despite Evanston's repeated requests, the plaintiffs never responded if they are accepting or rejecting Evanston's defense offering (as they are obligated to do so under NJ law). These further acts of non-cooperation hindered and prejudiced Evanston's defense handling rights under the policy and its ability to comply with the Court's Order.

Evanston further notes the plaintiffs' failure to submit their defense bills in a format that remedies deficiencies in the bills previously submitted. More than one year ago, in its 9/7/18 letter, Evanston relayed to plaintiffs the objectionable entries, as reiterated again in my subsequent 2/13/19 email. The plaintiffs, despite repeated promises, have yet to resubmit those bills for re-consideration in a form that remedies those deficiencies.

Evanston continues to reserve its rights under all policy terms, including those set forth in the policy section entitled "DEFENSE, SETTLEMENTS AND CLAIM EXPENSES." All of Evanston's prior communications are incorporated herein.

Please let me know if you would like to discuss further and we can set up a time to talk.

Thanks,  
Christina

Christina Salem  
Partner  
for Kennedys

**Kennedys**  
T +1 646 625 3968  
M +1 646 484 0394  
F +1 212 832 4920  
[www.kennedyslaw.com](http://www.kennedyslaw.com)